



**LOAN EXIT
COUNSELING
& REPAYMENT**

UNIVERSITY OF
DELAWARE

Before You Start

Determine who holds your loans

- Federal loans – www.studentaid.gov/manage-loans/repayment/servicers
- Private loans – servicer varies by individual lender

Federal student loan borrowers required to complete Exit Counseling upon graduation or dropping below half time

www.studentaid.org/exit-counseling/

Loan Repayment Checklist:

www.studentaid.gov/sites/default/files/student-loan-repayment-checklist.pdf

Before You Start

Ensure contact information is updated with lender

- Most student loans default within the first few months of repayment period

Keep track of interest rates

- Target higher interest rates for early repayment when possible

Calculate expected loan payment

www.finaid.org/calculators

Grace Period – No Repayment Required

Determine your loan grace period

- Direct student loans (through FAFSA) - 6-month grace period
- Private student loans - 6-months (dependent on lender)

Interest continues to accrue on any unsubsidized loan during grace period

Grace period can only be use used once

Postponing Repayment – *Federal Loans*

- Deferment: enrolled in a degree program on at least half-time basis
 - Includes students going from undergrad to graduate school
 - Interest accrues only on unsubsidized loans
- Forbearance: special provisions like economic hardship
 - Can receive up to 12 months at a time
 - Interest accrues on subsidized and unsubsidized loans
 - Go to studentaid.gov to learn more
- **Private student loans** may or may not offer deferment/forbearance. Contact your lender for additional information.

Student Loan Consolidation

- Federal loan consolidation
 - Consolidate various federal loans
 - e.g., Direct Student and Perkins Loans
 - May be eligible for Public Service Loan Forgiveness
 - Additional info:
www.studentaid.gov/app/launchConsolidation.action
- Private loan consolidation
 - Cannot consolidate federal and private loans
 - Creates single loan payment
 - Resets loan terms but may reduce payment
 - May lower interest rate
 - Additional info at
www.finaid.org/loans/privateconsolidation/

Biden-Harris Student Debt Relief Plan

- Provide debt relief up to \$10,000 (or up to \$20,000 if Pell eligible)
 - Income threshold \$125,000 for individuals or \$250,000 for households

Student Loan Debt Relief Is Blocked

- Check back at www.studentaid.gov/debt-relief-announcement to receive updates on the debt relief program status.

“Courts have issued orders blocking our student debt relief program. As a result, at this time, we are not accepting applications. We are seeking to overturn those orders. If you’ve already applied, we’ll hold your application.”

- [studentaid.gov](https://www.studentaid.gov)

Federal Student Loan Payment Pause

- The student loan payment pause is extended until the U.S. Department of Education is permitted to implement the debt relief program or the litigation is resolved. Payments will restart 60 days later.

“If the debt relief program has not been implemented and the litigation has not been resolved by June 30, 2023 — payments will resume 60 days after that. We will notify borrowers before payments restart.”

- studentaid.gov



REPAYMENT OPTIONS

Federal Loans

- Standard repayment period is 10 years
- Extended repayment up to 25 years
 - Must owe over \$30,000
- Income-based repayment ties payment to 10% or 15% of earnings
 - May be eligible for Public Service Loan Forgiveness
- Additional info:
www.studentaid.gov/manage-loans/repayment/plans

Private Loans

- Repayment options may vary. Contact your lender for more information

Loan Forgiveness – Federal Loans*

Public Service Loan Forgiveness

- For government and non-profit work
- Only available after 10 years of repayment while working full-time for qualified employer
- Forgiveness of remaining balance of loan after 10 years of repayment

Teacher Loan Forgiveness

- Available after 5 years teaching full-time in low-income schools
- Forgiveness of up to \$17,500 of Direct Loan borrowing

Total and Permanent Disability or Death

- Additional info at www.studentaid.gov/manage-loans/forgiveness-cancellation

*Private loans may or may not offer loan forgiveness. Contact your lender for more information.

Other Considerations

Create a reasonable budget and stick to it:

www.moneyunder30.com/budgeting-in-your-20s

Understand and monitor your credit score:

- Dictates your cost of borrowing

- Free copies of credit report available at

www.annualcreditreport.com

Use credit cards responsibly

Explore financial literacy courses

- www.khanacademy.org/college-careers-more/personal-finance

Start investing for retirement as soon as possible:

- www.money.usnews.com/investing/investing-101/slideshows/rules-for-investing-in-your-20s



**STAY FOR THE
Q&A SESSION**

Student Financial Services
udel.edu/sfs

Contact Us
udel.edu/askSFS
(302) 831-2126

